with prior approval of National Bank for Agriculture and Rural Development (NABARD) in case the person is an officer of the sponsor Bank and with the prior approval of Central Government in any other case as provided under section 11(1) of the RRBs Act, 1976. Further, the sponsor Banks have to follow guidelines/parameters issued by NABARD in consultation with Government of India from time to time for selection of Chairmen of RRBs.

(c) and (d) The appointment of the Chairman of Kshetriya Kisan Gramin Bank, Mainpuri, Uttar Pradesh was made by the sponsor Bank *i.e.* U.P. Cooperative Bank Ltd. with prior approval of Central Government in consultation with NABARD.

Liquidation of sick companies

1405. SHRI PRASANTA CHATTERJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether liquidation of sick companies within six months of winding them up is proposed to be made mandatory; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir.

(b) Does not arise.

Bar on companies from raising cheap capital

1406. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Department of Company Affairs has decided to set up a Committee to look into the demand of banks to bar companies from raising cheaper capital by accepting deposits;

(b) if so, the reasons for barring companies from raising cheaper capital by accepting deposits and accept the demand of the banks;

(c) whether Government would reconsider their stand; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir. However, a Committee has been set up to examine the issue of "insurance of deposits".

(b) to (d) Does not arise.